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SEAL SHIELD, LLC)	Case No.: 3:13-cv-02736-CAB-NLS
)	
Plaintiff,)	PLAINTIFF’S MOTION TO
)	AMEND THE FIRST AMENDED
-vs-)	COMPLAINT TO ADD AN
)	ADDITIONAL PARTY
OTTER PRODUCTS, LLC and)	
TREEFROG DEVELOPMENTS, INC.,)	
)	
Defendants.)	

—

Plaintiff, SEAL SHIELD, LLC ("**Seal Shield**" or "**Plaintiff**"), by and through the undersigned counsel, and pursuant to Federal Rule of Civil Procedure 15(a)(2) and 20(a)(2), hereby moves this honorable Court for leave to file a Second Amended Complaint to add OTTERBOX HOLDINGS, INC. ("**OtterBox Holdings**") as a defendant, and as grounds therefor Plaintiff states as follows:

1. On June 21, 2013, Plaintiff filed the Complaint for trademark infringement in the Middle District of Florida (for all purposes herein, this action will hereinafter be referred to as the "**Florida Action**" or this "**Action**").¹ (ECF No. 1.)

2. Defendants subsequently filed two separate patent infringement lawsuits in the District of Colorado (which action will hereinafter be referred to as the "**Colorado Action**")² and the Southern District of California (which action will hereinafter be referred to as the "**California Action**")³, with the Florida Action being the first-filed lawsuit.

3. The second-filed Colorado Action was filed on July 1, 2013, and the third-filed California Action on July 5, 2013.

¹ On November 14, 2013, the Florida Action, with case style of Seal Shield, LLC v. Otter Products, LLC, No. 6:13-cv-00967 (M.D. Fla. June 21, 2013), was transferred to the United States District Court for the Southern District of California.

² Otter Products, LLC v. Seal Shield, LLC and KlearKase, LLC (District of Colorado, Case No. 1:13-cv-1734-MSK).

³ Treefrog Developments, Inc. dba LifeProof v. KlearKase, LLC and Seal Shield, LLC (Southern District of California, Case No. 6:13-cv-1575-WQH).

1 4. Subsequent to the institution of the Colorado and California Actions,
 2 and prior to the filing of an answer to the Complaint in this Action, on August 14,
 3 2013, Plaintiff filed its First Amended Complaint. (ECF No. 35.) Plaintiff's First
 4 Amended Complaint, akin to the first-filed Complaint, seeks, *inter alia*, damages
 5 against Defendants for infringement of Plaintiff's LIFE PROOF, LIFEPROOF and
 6 LIFE-PROOF marks (the "**LifeProof Marks**").
 7

8
 9 5. Since the filing of the First Amended Complaint several events have
 10 transpired, in both this Action and in the second-filed California Action, which
 11 have led Plaintiff to believe that there is an additional entity, not currently joined as
 12 a party, who may have a financial interest in the outcome of this litigation, and,
 13 correspondingly, who may be also liable for the infringement of Plaintiff's
 14 LifeProof Marks.
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16
 17 6. That Plaintiff may have an additional right of relief against another
 18 party not currently joined in this litigation was first made known to Plaintiff on
 19 September 3, 2013, when Defendants responded to the First Amended Complaint
 20 by filing a joint Answer (the "**Answer**"). (ECF No. 41.)
 21

22
 23 7. In the Answer, Defendants wholly deny Plaintiff's allegation that "in
 24 May of 2013, Otter [Products] purchased Treefrog" ⁴ (See Defs.' Answer ¶ 6;
 25

26
 27 ⁴ Notably, although Defendants allege that Otter Products did not acquire Treefrog in
 28 May 2013, Defendants do not allege that the maintenance of this action against *both* Defendants
 is improper.

1 see also Pl.'s First Am. Compl. ¶ 6.)

2 8. In an attempt to ascertain the true owner of Treefrog, on September
3
4 11, 2013, Plaintiff propounded its First Set of Requests for Production (the
5 "**Requests**") to Otter Products and Treefrog, seeking, *inter alia*:

6 1. All Documents sufficient to identify the corporate
7 organizational structure of Otter, Treefrog, and OtterBox Holdings,
8 Inc."

9 2. All Documents sufficient to identify the officers,
10 directors, and shareholders of Otter and Treefrog.

11 3. All Documents sufficient to identify all persons or
12 entities that have an ownership interest in either Otter or Treefrog,
including any and all capitalization tables and lists of interest holders.

13 4. All Documents sufficient to identify all entities in which
14 either Otter or Treefrog has an ownership interest, including any and
all capitalization tables and lists of interests held.

15 5. All Documents related to the Acquisition.

16 6. Any letters of intent between Otter and Treefrog created
17 or sent between January 1, 2013, and May 30, 2013.

18 7. Any letters of intent between OtterBox Holdings, Inc.
19 and Treefrog created or sent between January 1, 2013, and May 30,
20 2013.

21 8. The final agreement containing the terms of the
22 Acquisition, including all attachments, exhibits, and any Documents
incorporated therein by reference.

23 9. The Requests were specifically designed to ascertain whether another
24
25 entity of Otter Products or Treefrog maintains a financial interest in the outcome of
26 this litigation.

27 10. On October 15, 2013, Otter Products and Treefrog responded to the
28

1 Requests by objection, contending the Requests are irrelevant, vague, ambiguous,
2 overbroad, and seek confidential or proprietary information of Treefrog or Otter
3 Products.
4

5 11. Defendants did not produce documents responsive to the Requests.

6 12. In fact, to date, Defendants have utterly failed, and continue to
7 willfully fail, to comply with Plaintiff's Requests.
8

9 13. In light of Defendants obstructive tactics, Plaintiff is preparing to file
10 a Motion to Compel the Discovery of these documents with the Court.
11

12 14. Despite Defendants' deliberate attempts to conceal documentation
13 evidencing their organizational structure, Plaintiff has gathered more than
14 sufficient information as to set forth a firm basis for its belief that OtterBox
15 Holdings is an owner of Treefrog and, therefore, also has a financial interest in the
16 outcome of this litigation.
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18

19 15. Plaintiff's belief that OtterBox Holdings has a stake in the outcome of
20 this litigation was, once again, reaffirmed on October 14, 2013, when Treefrog
21 submitted a sworn Declaration of Kevin M. Sullivan in the California Action (the
22 "**Declaration**").
23

24 16. In the Declaration, Treefrog affirms that another entity, who is not
25 currently named as a party to this Action, possess an ownership interest in
26 Treefrog. (See Decl. Sullivan ¶ 3, Oct. 11, 2013, ECF No. 33-1; a true and correct
27
28

1 copy of said declaration is attached hereto as **Exhibit “A”**, and is incorporated
2 herein by reference.)

3
4 17. Specifically, paragraph three of the Declaration filed by Treefrog
5 provides, “LifeProof is a wholly-owned subsidiary of *OtterBox Holdings, Inc.*,
6 having been acquired by Otterbox Holdings, Inc. in May 2013.” (Id. emphasis
7 added.)
8

9 18. Plaintiff has also recently acquired additional documentation
10 confirming that OtterBox Holdings was at least one of the entities that purchased
11 Treefrog in May 2013 and is also an interested party to this Action, to wit: a
12 security agreement.
13
14

15 19. Plaintiff has recently discovered a Term Loan IP Security Agreement
16 (the “**IP Security Agreement**”) entered by and between Treefrog, Otter Products,
17 OtterBox Holdings, and Wells Fargo Bank, National Association (“**Wells Fargo**”)
18 as of May 17, 2013. (A true and correct copy of the Security Agreement is attached
19 hereto as **Exhibit “B”**, and is incorporated herein by reference. A true and correct
20 copy of the Security Agreement can also found on the United States Patent and
21 Trademark Office (“**USPTO**”) website.)
22
23
24

25 20. As evidenced by the IP Security Agreement, *both* Otter Products and
26 OtterBox Holdings (collectively referred to as the “**Borrowers**” in the Security
27 Agreement), entered into a certain Term Loan Credit Agreement (“**Loan Credit**”
28

1 **Agreement**"), dated May 17, 2013, with Wells Fargo (the "Lender") for the
2 extension of credit. As a term and condition to the extension of credit to Borrowers
3 under the Loan Agreement, Otter Products and OtterBox Holdings (Borrowers)
4 also entered into a Term Loan Pledge and Security Agreement ("**Pledge and**
5 **Security Agreement**"), dated May 17, 2013, wherein Otter Products and OtterBox
6 Holdings assigned Wells Fargo (Lender) a security interest in and to certain
7 Intellectual Property Collateral of *both* Otter Products and Treefrog as collateral
8 security for the payment and performances due under the Loan Credit Agreement.
9
10
11

12 21. Importantly, included among the Intellectual Property Collateral that
13 was pledged as security under the IP Security Agreement and the Pledge and
14 Security Agreement was the federal registration numbers of the LifeProof Marks,
15 the same trademarks in dispute in this instant Action. (See Ex. C at Schedule C-13-
16 Schedule C-16.)
17
18

19 22. Based upon the IP Security Agreement, Plaintiff believes that Otter
20 Products and OtterBox Holdings possess a financial interest in Treefrog.
21

22 23. Based upon Treefrog's Declaration filled in the California Action, as
23 well as the IP Security Agreement, Plaintiff believes Otter Products and OtterBox
24 Holdings were involved in the acquisition of Treefrog, and they currently have, or
25 at one time held, a financial interest in the business and intellectual property assets
26 of Treefrog.
27
28

1 24. Furthermore, Plaintiff based on the foregoing, Plaintiff believes Otter
2 Products and OtterBox Holdings also maintain a strong financial interest in the
3 outcome of this litigation.
4

5 25. Plaintiff therefore seeks leave of the Court to file a Second Amended
6 Complaint to add OtterBox Holdings as a party to this Action.
7

8 26. The joinder of a OtterBox Holdings as a defendant is permissible
9 under Federal Rule of Civil Procedure 20(a)(2), which provides, in relevant part:
10

11 (2) *Defendants*. Persons—as well as a vessel, cargo, or other property
12 subject to admiralty process in rem—may be joined in one action as
13 defendants if:

14 (A) any right to relief is asserted against them jointly, severally,
15 or in the alternative with respect to or arising out of the same
16 transaction, occurrence, or series of transactions or occurrences; and

17 (B) any question of law or fact common to all defendants will
18 arise in the action.

19 27. Furthermore, pursuant to Federal Rule of Civil Procedure 15(a), leave
20 to amend should “be freely given when justice so requires.”
21

22 28. In this case, the joinder of OtterBox Holdings is necessary to further
23 the interests of justice because OtterBox Holdings, by virtue of its acquisition of
24 Treefrog, is an indispensable party to this Action and is effectually liable, jointly or
25 severally, for Defendants’ misappropriation and use of Plaintiff’s LifeProof Marks
26 in connection with the advertisement, promotion, and sale of products in the
27 United States.
28

29. Furthermore, the joinder of OtterBox Holdings as a defendant to this

1 Action is also appropriate because Plaintiff has been injured by its actions, and
2 Plaintiff seeks to assert its right to relief arising from such conduct.

3
4 30. Moreover, the factual and legal issues relating to OtterBox Holdings's
5 conduct will be common to the actions of both Defendants.

6
7 31. Finally, because the only amendment that Plaintiff seeks to impose is
8 the addition of OtterBox Holdings as a defendant, as well as the addition of one
9 exhibit, the granting of this Motion will not unduly delay this proceeding, and will
10 not unduly prejudice any party to this Action.

11
12 32. Accordingly, joinder is appropriate under Federal Rule of Civil
13 Procedure 15(a) and 20(a)(2).

14
15 33. Counsel for Plaintiffs conferred with counsel for Defendants to seek
16 its consent before filing this motion. Steven Hollman, on behalf of Defendants,
17 stated, "OtterBox Holdings, Inc. has no rights in and to the intellectual property
18 owned by TreeFrog Developments, Inc. Its interests are adequately protected by
19 its wholly owned subsidiary. That being the case, there simply is no basis for
20 joining OtterBox to the lawsuit, and we intend to oppose your effort to do so."
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24
25 **WHEREFORE**, for the foregoing reasons, Plaintiff respectfully requests
26 leave of this honorable Court to file the proposed Second Amended Complaint
27 attached hereto as **Exhibit "C"** to add OtterBox Holdings as a party to this Action.
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Dated: January 15, 2014

Respectfully submitted,

s/ J. Andrew McCarthy, Jr.

J. Andrew McCarthy, Jr.

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that on January 15, 2014, I electronically filed a true and correct copy of the foregoing using the Court's CM/ECF system, which will send a Notice of Electronic Filing to the following counsel of record, who are all deemed to have consented to electronic service per CivLR 5.4(d):

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